



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 telephone

(801) 359-3940 fax

(801) 538-7223 TTY

www.nr.utah.gov

Michael O. Leavitt
Governor

Robert L. Morgan
Executive Director

Lowell P. Braxton
Division Director

January 28, 2003

CERTIFIED RETURN RECEIPT

7099 3400 0016 8896 2819

Aaron Hancock
Interpace Industries, Inc.
736 West Harrisville Road
P.O. Box 12118
Ogden, Utah 84412

Re: Tentative Approval to Commence Large Mining Operations, Interpace Industries, Inc.,
Henefer Red Clay Mine, M/043/014, Summit County, Utah

Dear Mr. Hancock:

The Division has completed a review of your May 30, 2002, response to the Division's initial review of your Notice of Intent to Commence Large Mining Operations at the Henefer Red Clay Mine. On July 16, 2002, we received your response to the Division's May 29, 2002 Notice of Non-compliance. After reviewing this latest information, the Division is now prepared to grant tentative approval of the Henefer Red Clay large mining permit application. We will now prepare to publish a formal notice of tentative approval in the appropriate Salt Lake City and Summit County newspapers (copy attached). This will begin the required 30-day public comment period. If no substantive comments are received during the public comment period, the Division will then be prepared to issue its final approval for this project.

Prior to issuing final approval, we require that you provide us with:

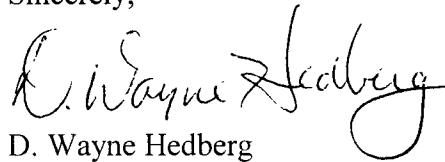
1. A Reclamation Contract (Form MR-RC enclosed) must be completed and filed with this office. It will then be attached to the "interim" \$63,300 reclamation surety which you have already posted for this project. The total required surety is only \$62,100; however, you have informed us that because the difference in the surety is so minor, you will leave the existing Letter of Credit #STR19967 issued by BankOne in place, rather than replace the surety. *Please provide us with a "draft" copy of the completed reclamation contract form before you finalize it, so we can review it for completeness and accuracy.*

Page 2
Aaron Hancock
M/043/014
January 28, 2003

Please be advised that **you are not authorized to create any mining related surface beyond the existing disturbance until you have received written final approval from this division.**

Thank you for your cooperation and patience in completing this permitting process. If you have any questions regarding this letter, please contact me at (801) 538-5291 or Lynn Kunzler at 538-5310.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Wayne Hedberg". The signature is fluid and cursive, with the first name "D." and last name "Hedberg" clearly distinguishable.

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
Enclosure . MR-RC
O:\M043-Summit\m0430014-heneferredclay\final\Tentative-apv.doc